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ABSTRACT

The General Accounting Office reviewed 18 relevant studies and analyzed existing data from the High School and Beyond Survey of 58,728 students to determine students' and parents' knowledge of federal financial aid for postsecondary education. It was found that students and parents knew very little about financial aid and held erroneous views about financial aid and school costs. Additionally, there was found to be a relation between a family's income and educational level and its level of awareness of federal financial aid: low-income families knew more about Pell Grants and high-income families knew more about loans. Higher educational institutions were found to be the primary source of information about financial aid for most students and parents, followed by informal sources such as family and friends. In addition, studies showed that students from families with knowledge of financial aid at the time the students were in high school were far more likely to apply for aid. Academic ability, high school grades, family income, and motivation to continue education were seen as more highly related to postsecondary attendance than was knowledge of financial aid. Prior awareness of the availability of financial aid can be part of a chain of influences leading to completion of additional schooling. Contains 19 references. (GLR)

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GAO

United States General Accounting Office

Briefing Report to the Chairman, Committee on Labor and Human Resources, U.S. Senate

July 1980

HIGHER EDUCATION

Gaps in Parents' and Students' Knowledge of School Costs and Federal Aid

GAO

United States
General Accounting Office
Washington, D.C. 20548

Program Evaluation and
Methodology Division

B-238753

July 31, 1990

The Honorable Edward M. Kennedy
Chairman, Committee on Labor and
Human Resources
United States Senate

Dear Mr. Chairman:

In response to your request of June 8, 1989, we reviewed available studies on students' and parents' knowledge of federal financial aid for postsecondary education. We also conducted a number of interviews and performed our own secondary analysis of available data from the High School and Beyond Survey. In this report, we examine the following four questions:

- What is known about students' and parents' knowledge of federal financial aid at different points in time as students progress through junior high and high school?
- Has considerable variance been found in the extent of this knowledge among different populations?
- What sources have contributed to this knowledge?
- What consequences can be attributed to different degrees of knowledge of federal financial aid?

We found that useful evidence was scarce and had substantial shortcomings for the purposes of answering these questions. For example, many of the studies had idiosyncratic samples, old data, and low response rates, which limit generalizability. In addition, a major national study used by many authors worded one key question very ambiguously and received a low response rate as well.

In assessing basic knowledge levels, we found that students and parents knew surprisingly little about financial aid for higher education or the costs of postsecondary schools. A major national study in 1980 found that only 12 percent of high school sophomores were aware of the Pell Grant program and only 8 percent were aware of Stafford Loans. The same study found that although seniors were much more likely to recognize these programs—only 18 percent were unaware of Pell Grants and 26 percent of Stafford Loans—most appeared to have only rudimentary additional information about aid programs, including those for which they might be eligible. Parents lacked information about financial aid throughout their children's junior high and high school years. Fewer

than half the parents of high school seniors in 1980 were able to identify major federal financial aid programs.

We also found that students and parents held erroneous views about financial aid and school costs. Many students and parents misunderstood aid requirements and thus believed incorrectly that they were ineligible for aid. Parents and students tended to both grossly overestimate and underestimate different elements of the cost of higher education. Both kinds of mistakes can lead people to limit their consideration of different school options.

Further, we found that there was a relation between a family's income and its level of awareness of federal financial aid. In general, students and parents from low-income families knew relatively more about Pell Grants, while those from higher-income families knew relatively more about loans. We found a similar relationship between parents' educational level and their awareness of financial-aid options. However, the differences between these groups were small.

Seeking the origins of whatever information people did have, we found higher education institutions were the primary source of information about financial aid for most students and parents, followed by informal sources such as family members and friends. At least during the periods covered by the studies we reviewed, high school counselors were not generally regarded as important sources of financial aid information.

Parents are interested in learning about financial aid and thus are willing recipients of financial aid information. We found that parents, including those who were indifferent to their children's postsecondary education plans, desired to participate in financial aid information activities.

Concerning the consequences of this knowledge, we found that students from families with knowledge of financial aid at the time the students were in high school were far more likely to apply for aid than students from families without knowledge at this time. In addition, we found a relationship between knowledge of financial aid and postsecondary school attendance. Students who were aware of the availability of financial aid as sophomores were more likely to enroll in a postsecondary school. We cannot conclude, however, that increased knowledge of financial aid will increase the likelihood of postsecondary enrollment. It is not possible to determine from the available studies whether knowing

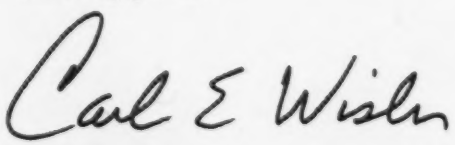
of financial aid availability is a precursor to the desire to pursue postsecondary education or whether the desire to continue education explains the differences in awareness of financial aid.

Knowledge of financial aid availability is only one of many influences on students' postsecondary school attendance. Academic ability, high school grades, family income, and motivation to continue education are more highly related to postsecondary attendance than is knowledge of financial aid. However, it is possible that elementary and secondary school teachers and counselors may increase the probability that students will aspire to and pursue postsecondary education when they provide early and realistic information on postsecondary school costs and the many ways of meeting them. Appendix II reviews past federal initiatives in the dissemination of financial aid information.

In performing this synthesis, we identified potentially relevant studies through the use of computerized literature searches. We also contacted state educational agencies, professional groups involved with student aid, and university researchers in an effort to identify unpublished studies or data. We augmented the literature by analyzing previously unstudied data from the High School and Beyond Survey. We describe our methodology in greater detail in appendix I.

As we arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after its issue date. At that time, we will send copies to other interested parties and make copies available to others upon request. If you have any questions or would like additional information, please call me at (202) 275-1854 or Kwai-Cheung Chan, Director of Program Evaluation in Human Services Areas, at (202) 275-1370. Other major contributors to this report are listed in appendix III.

Sincerely yours,



Carl E. Wisler
Director for Planning and Reporting

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Abbreviations

CAMP	College Assistance Migrant Program
ERIC	Educational Resources Information Center
GAO	General Accounting Office
HEP	Higher Education Equivalency Program
NASFAA	National Association of Student Financial Aid Administrators
SCUP	The School, College, and University Partnership Program

Introduction

Background

One objective of federal higher education policy has been the improvement of access to and choice of postsecondary schools for poor and minority students. The proportion of these students entering college has not risen since the mid-1970's, despite the fact that such students are improving in their academic preparation.[1] Families whose earnings are in the middle and upper levels remain four times more likely to have children in college than families whose earnings fall in the lower levels. Hispanic students continue to have the lowest college-going rates among minority groups, and the proportion of Hispanics attending college is decreasing. (The college-going rate for Hispanics decreased by 8.1 percent between 1976 and 1988.) The percentage of black students going to college has also declined since the 1970's. Between 1976 and 1988, the higher education participation rate for black females decreased by 7.5 percent, while the participation rate for black males plummeted 17 percentage points during the same time period. In fact, the number of young black men presently under the supervision of the legal system—that is, in prison or on parole or probation—exceeds the number of young black men on college campuses. According to statistics released this year, 609,690 young black males aged 20 to 29 were subject to the criminal justice system, whereas 436,000 black men were enrolled in higher education.

Observers have suggested a number of reasons for this stubborn social problem. Some place the higher education problem within a broader range of social problems. Other explanations emphasize the cost of additional schooling and problems with student financial aid.

Many general conditions may negatively influence early school motivation, achievement, high school graduation rates, and college preparation—all of which in turn influence postsecondary attendance rates. The number of students living in poverty is increasing. One out of four children is now a member of a family whose income is below the federal poverty line. One out of every six children currently lives in a household headed by a single mother, a condition that tends to reduce the family's resources of all kinds. The continuing problems of unemployment for minorities in urban areas, as well as the general underrepresentation of

[1] After a comprehensive review of achievement data, the Congressional Budget Office concluded that the most important trends in recent years included relative gains by black and Hispanic students compared with nonminority students and relative gains in high-minority-enrollment schools and schools in disadvantaged urban communities compared with the nation as a whole. (Congressional Budget Office, 1986) Thus, although the gap between minority and nonminority achievement remains large, the relative gains of minority students have been substantial.

minorities in professional occupations, together suggest that the usual incentives for pursuing higher education may be diminished.

More specifically, students continuing education beyond high school face the challenge of paying the bills for tuition, books, and living expenses while they study and, at the same time, must also forgo the income they could earn by working full-time. Student aid, which can help reduce this burden for poor youth, may be neither sufficiently well-known nor adequate. Pell Grants, for example, can only be used to fund up to 60 percent of all postsecondary school expenses. Although need-based federal aid, as well as other aid, has been available for years, college costs, real or imagined, may still be viewed by many disadvantaged students as so high as to prevent them from enrolling.[2] In a recent national study, high school graduates who did not enroll in college were asked why they did not. (Council for Advancement and Support of Education, 1988) Over half cited affordability, finances, and the need to work. Students who are poor, members of minority groups, or from families without college-educated members may be unaware that federal (and other) financial aid is available. They may, as a consequence, reject higher education as a realistic possibility.

Although persistence in higher education is affected by many factors, some evidence suggests that students with financial aid are more likely than others to complete the first year. Thus, prior awareness of the availability of financial aid can be part of a chain of influences leading to completion of additional schooling.

The decision to enter, and persist in, postsecondary education results from a complex interaction among intellectual, academic, personal, social, and financial considerations. Each student goes through a unique process to arrive at this decision. This study centers on only one small piece of this complex interaction—awareness of federal student aid.

Objectives, Scope, and Methodology

To address the Committee's concerns about knowledge of federal student aid, we posed four specific evaluation questions:

[2]Although federal loans were previously available to all students, the Stafford Loan Program, with a few exceptions, is presently restricted to members of low-income families.

- What is known about students' and parents' knowledge of federal financial aid at different points in time as students progress through junior high and high school?[3]
- Has considerable variance been found in the extent of this knowledge among different populations?
- What sources have contributed to this knowledge?
- What consequences can be attributed to different degrees of knowledge of federal financial aid?

Review of Literature

To answer these questions we examined published research and analyzed existing data bases that addressed students' and parents' knowledge of college costs and federal aid, sources of information about student aid, and the role of this information in students' decisions.

We limited our search to work published after 1980, since information issues were different in the 1970's when federal financial aid programs were maturing.

We did not explore the issue of students' and parents' awareness of all financial aid, or even all federal student aid. Instead, we focused on the two major federal efforts, Pell Grants and Stafford Loans.[4] Furthermore, we did not evaluate the relative importance of awareness of financial aid among the constellation of factors that influence postsecondary attendance.

We identified potentially relevant studies through the use of computerized literature searches. In addition, we contacted state educational agencies, professional groups involved in student aid and counseling, and university researchers in an effort to identify ongoing research and unpublished sources of data that might augment the literature. In total, we identified 74 studies. We asked three experts to rate each of the studies we identified based on the criteria of topical appropriateness, adequacy of design, statistical soundness, and generalizability of

[3]Our interchangeable use of the words "awareness" and "knowledge" in this report reflects the way these terms are employed in the studies we examined.

[4]Beginning in 1972, the principal federal student aid awards to individuals were known as Basic Educational Opportunity Grants. Since 1982, when they were renamed, they have been known as Pell Grants, after Senator Claiborne Pell. Beginning in 1965, the major federal loan program was called the Federal, State, and Private Programs of Low-Interest Insured Loans to Students in Institutions of Higher Education. In 1986, the name of the program was changed to the Guaranteed Student Loan Program. In 1988, the program was renamed the Robert T. Stafford Student Loan Program, after Senator Robert T. Stafford, and has been called Stafford Loans. For simplicity, we refer to the grants and the loan program at whatever point in time by their present titles.

sample. Judged by these criteria, eighteen studies were found acceptable for our purposes.[5] Appendix I discusses our literature search and evaluation in more detail.

Syntheses have the strength of efficient access to data but also inherit the limitations of the underlying studies. These included imprecise question wording, low response rates, and idiosyncratic samples. Locating specific information on awareness of federal student aid was difficult in studies examining general issues in students' decision-making. With the exception of studies based on the Department of Education's High School and Beyond Survey (discussed in the next section), which followed high school students for many years, most studies collected data at only one point in time. Thus, the body of information for examining the relationship of knowledge at one point to later events is even smaller.

Analysis of High School and Beyond Survey Data

In addition to reviewing published research, we analyzed previously unused information from the High School and Beyond Survey. This body of data, collected by the National Center for Educational Statistics, includes surveys of 58,728 high school sophomores and seniors in 1980 and follow-up surveys of these students in 1982 and subsequent years. Data were also gathered from their parents in 1980. We looked for characteristics of these students and their parents associated with various levels of awareness of student aid. We also traced those who were knowledgeable about student aid as sophomores to see if their decisions two years later about postsecondary school enrollment differed from other students' decisions.

Our review was conducted in accordance with generally accepted government auditing standards. Because we had no practical way of independently confirming the accuracy of data collected by others, we did not verify High School and Beyond Survey data or data reported in the studies we reviewed.

Stages of Students' Educational Choice

Students' and parents' awareness of all aspects of higher education opportunities develops over time. One model of three stages of the college choice process, shown in table 1.1, seems applicable to the general

[5]We asked the experts to judge the studies for their merit with regard to answering the Committee's questions. Many studies might have been judged more positively based on the criterion of meeting their authors' original purposes.

decision-making process all students face.[6] (Hossler and Gallagher, 1987) The first stage, "predisposition," covers the period prior to the sophomore year of high school. During this stage, students form career goals and expectations about whether they will continue their education beyond high school. During the next stage, "search," which extends from the sophomore through the senior year for most students, they learn about specific postsecondary education opportunities, such as 2- and 4-year colleges, public and private schools, vocational training options, and others. In the final "choice" stage, generally late in the senior year, students decide which institution to attend. The type and amount of information students and their families could use seem likely to vary by stage and proceed from the general to the specific.

Table 1.1: Description of Stages of Students' Educational Choice and Available Sources of Information

Stage	School grades	Tasks	Information needs	Number of studies[a]
Predisposition	Through 9	Form career aspirations; determine postsecondary goals	General information about postsecondary schools' preparation requirements, costs, and financial aid opportunities	5
Search	10 to 12	Explore specific schools	Information about alternative programs of study, occupational prerequisites, tuition costs, and availability of financial aid	9
Choice	12 or later	Select school	Specific information on the total cost of attendance and aid packages offered at particular schools	6

[a]Two studies included students in both the "search" and "choice" stages.

We have organized the presentation of findings in the rest of this report by grouping together the data on each stage.

[6]Theoreticians have developed many types of model of the stages of college choice. These include econometric models, consumer models, sociological models, and combined models that borrow constructs from these different types. We chose to use the combined model of Hossler and Gallagher because it identified three different stages of the student choice process that corresponded to the various grade levels that were examined in the studies we synthesized. Thus, this model provided a useful developmental framework with which to organize this report.

Predisposition: Awareness of Federal Financial Aid During the Junior High School Years

Students' Tasks at This Stage

"Predisposition" is the first stage of the Hossler and Gallagher model of educational choice. This stage usually covers the period from seventh grade to tenth grade—the period that typically spans the junior high years—and is the stage during which most students form tentative career goals and expectations about education beyond high school. Students' tasks at this stage include learning about the world of work; assessing their individual aptitudes, interests, and values; and determining a tentative fit between their individual attributes and various occupations and career paths. At this point, students make important choices about what to study in school (specific classes or whole curriculum "tracks") that significantly affect their future options concerning higher education and jobs.

Available Evidence

Despite the importance of this stage, our search identified an extremely limited body of relevant information. Five studies investigated issues related to financial aid awareness at the predisposition stage.[1] Key features of these studies are presented in table 2.1. (One of these studies included some students who were in tenth grade, and two others included parents of tenth graders. We included these studies in this section because the vast majority of individuals studied were either students in grades 7 through 9 or parents of students in these grades.)

[1]There are more citations than studies, as the two Pennsylvania studies resulted in numerous separate publications.

Table 2.1: Predisposition: Key Features of Studies Investigating Awareness of Federal Financial Aid During the Junior High School Years

Study	Study period	Location	Sample	Data source	Outcome measures
Brouder (1987)	1986	4 cities	Judgmental sample of about 100 middle- and low-income parents of students in grades 7-10 and no other children in college	8 focus group interviews	Parents' awareness of financial aid programs and cost of college attendance
Davis (1988)	1988	Pennsylvania	935 students (grades 7-10) in 6 schools	In-school survey of students	Students' attitudes toward early awareness activities and preferences regarding postsecondary education
Davis (1989)	1989	Pennsylvania	Parents of 935 students (grades 7-10) in 6 schools	Mail survey	Parents' attitudes toward early awareness activities and preferences regarding postsecondary education
Dixon (1986)	1986	Illinois	1,305 parents of eighth graders in 30 public and private schools	Take-home survey	Parents' awareness of specific financial aid programs and cost of college attendance
Pennsylvania Association of Colleges and Universities (1983)	1983	Pennsylvania	Representative sample of 8,436 ninth graders in 49 schools	In-school survey	Students' knowledge of financial aid programs and cost of college attendance, and students' evaluation of postsecondary information received from their schools

Only one study addressed students' awareness of financial aid. (Pennsylvania Association of Colleges and Universities, 1983) This study of ninth graders in Pennsylvania asked students if they had received information about student aid from their schools, which obviously excludes information students may have received elsewhere and thus may underestimate the information students might have had.

Two studies examined parents' awareness of financial aid. Brouder (1987) investigated the quality and accessibility of information about postsecondary educational options by conducting focus groups in four cities of low- and middle-income parents with children in grades 7 through 10. Dixon (1986) analyzed findings from a survey of parents of eighth graders in 30 public and private schools in Illinois to determine the status of their knowledge of college admissions requirements, costs, and financial aid.

Davis (1988) studied preferences of junior high students and their parents regarding postsecondary-education planning activities. He sampled 935 students in grades 7 through 10 and their parents to determine their

willingness to participate in activities about career planning, college requirements, postsecondary school choice, costs of postsecondary school attendance, and financial aid opportunities.

Students' and Parents' Awareness

A Pennsylvania study found that more than one half of ninth graders (59 percent) reported receiving no information about financial aid from their schools. (Pennsylvania Association of Colleges and Universities, 1983) We were unable to locate any study that measured students' reports of the extent and quality of information received at this stage from other sources, such as families or friends.

Parents appeared to lack information about both the costs of college and available financial assistance. Brouder (1987) found that most middle- and low-income parents without children in college lacked information about specific financial aid programs; the only parents in this category who appeared at all knowledgeable about financial aid were themselves current or former recipients of such aid. Of the parents interviewed, only about half seemed to possess a fairly accurate idea of present college costs, and none had an idea of what college costs would be when their child attended. Most parents greatly overestimated costs; others offered unrealistically low estimates.[2] Dixon (1986) reported that about half of the parents surveyed in Illinois had heard of Stafford Loans but only a quarter had heard of Pell Grants. Fifty-six percent of parents surveyed had no idea what it would cost for their child to attend college for one year. Estimates by parents who indicated awareness of cost ranged from a low of $2,000 to a high of $60,000 a year. Results from these studies suggest that although parents are generally aware of financial aid, there are considerable gaps in specific knowledge.

Subgroup Differences

In the Pennsylvania study, ninth-grade students possessing various characteristics associated with low rates of later college attendance—being black, from a low-income family, or not enrolled in a college-prep curriculum—were more likely to report receiving information from their schools than were their counterparts who were white, of higher-income families, or enrolled in college-prep courses. Schools, at least in this state and at the time this study was conducted, appeared to be focusing financial aid information on students who were least likely to have first-hand knowledge of student aid.

[2]The inability of many parents to accurately estimate college costs may be partially attributable to the wide variation among colleges in tuition rates and other fees.

Parents who had attended college or who had other children in college knew more about aid than those without these experiences. (Brouder, 1987) Parents in wealthy communities and those with children in private schools knew more about aid programs than did parents in lower-income communities and those with children in city and rural schools. (Dixon, 1986)

Information Sources

No studies examined the information sources students and parents used at this stage (beyond the basic observation that few students obtained information from their schools); however, several addressed the question of respondents' hypothetical interest in information about student aid.

Junior high school students were moderately interested in acquiring information about financial aid. However, their aspirations may have been set already, which could affect this interest. Surveying the interest of junior high school students in attending a presentation on financial aid, Pennsylvania officials found that 57 percent of those planning to attend a 4-year college were interested in attending a financial aid presentation. (Davis, 1988) Of those planning to attend 2-year or vocational schools, however, only 44 percent had any interest in such a presentation. And, only 26 to 30 percent of students not intending to continue their education after high school responded positively. These results appear to indicate that students' attitudes toward participation in information activities are consistent, at a relatively young age, with their postsecondary education plans. However, students' attitudes may be related to their knowledge of postsecondary options. If this is true, interest in participating in information activities might be enhanced by increasing students' awareness of higher education alternatives.

Parents of junior high students, however, did seem willing to learn more about financial aid, regardless of their children's education plans. Two state surveys (Dixon, 1986; Davis, 1989) found that between 80 and 90 percent of parents desired to participate in financial aid information activities. One of these surveys (Davis, 1989) found that nearly 75 percent of parents who were indifferent to their children's postsecondary plans indicated willingness to listen to presentations about financial aid. Brouder (1986) concluded from parents' focus group discussions that parents would be very receptive to financial aid information, especially when it was individually presented.

These studies agree that most parents—rather than just parents who want their children to go to college—are interested in learning about financial aid. This suggests that many parents may be favorably predisposed toward postsecondary school attendance by their children, even though they have not formulated specific plans.

Importance of Information

Most ninth-grade students in a 1983 Pennsylvania state study did not perceive information from the school as useful. (Pennsylvania Association of Colleges and Universities, 1983) Only 44 percent of minority students and 28 percent of white students who reported receiving information found it useful. Students who did not plan to attend college and students from lower-income families were more likely to report receiving useful information than students planning to continue their studies and those with higher-income parents.

Search: Awareness of Federal Financial Aid During High School

Students' Tasks at This Stage

In the middle to late high school years, the "search" stage of Hossler and Gallagher's model, students require specific information if they are to locate a suitable postsecondary school and prepare for successful admission and payment of the costs. In order to acquire this knowledge, students at this stage should continue to consider occupational options and their educational requirements, develop a list of schools from which to make a choice, take college admissions tests, visit schools, review catalogues and other information, and talk with guidance counselors, admissions counselors, and friends. Information on the availability of student aid and different student aid options during this stage allows families, especially low-income families, to decide whether they can afford postsecondary education and, if they can, what type of postsecondary education might be appropriate.

Available Evidence

We found eight studies that addressed the issue of students' and parents' awareness of financial aid at this stage. Three of these studies used information from the High School and Beyond Survey to investigate knowledge of financial aid. (Higgins, 1984; Ekstrom, 1985; and Olson and Rosenfeld, 1984) Ekstrom and Higgins used these data to explore students' knowledge of financial aid programs and postsecondary attendance costs. Olson and Rosenfeld used data from the follow-up study to examine parents' knowledge of financial aid.[1] Two other studies examined students' and parents' knowledge at this stage. A more recent national survey of students done by the Gallup organization for the Council for Advancement and Support of Education (1986) provides a strong sample. However, the telephone interviews were brief, and the emphasis was on cost estimates rather than on knowledge of ways of meeting those costs. In addition, the students' views obtained in this survey cannot be contrasted with parents' information, since only the young people were interviewed. Little and Chronister (1983) used an idiosyncratic sample of community college students and parents of college-bound high school students in Virginia to determine parents' knowledge of financial aid programs.

Three of the eight studies we identified examined the sources of information for students and parents at this stage. Chapman (1987) contacted 1,000 first-time applicants to the New York State Tuition Assistance Program by mail and asked them to complete a questionnaire

[1] Following administration of the High School and Beyond Survey to students in spring 1980, a sample was drawn of 7,201 of the surveyed students (up to 12 sophomores and 12 seniors in each of 312 schools). One parent of each of these students was chosen as the sample for the follow-up survey of parents that was conducted the following fall.

on high school counseling services. Although the response rate was only 43 percent, the respondent group was representative of the sample on income, sex, and ethnicity. The National Association of College Admissions Counselors surveyed high school guidance counselors to collect information on high school guidance practices, resources, and programs. The Pennsylvania Association of Colleges and Universities surveyed about 7,000 twelfth graders from schools that were representative of high schools in Pennsylvania to determine the perceived usefulness to students of a variety of school-based information activities about financial aid and postsecondary school attendance. These studies are summarized in table 3.1.

Table 3.1: Search: Key Features of Studies Investigating Knowledge of Federal Financial Aid During the High School Years

Study	Study period	Location	Sample	Data source	Outcome measures
Chapman (1987)	1985	New York	1,000 first-time aid applicants to New York State Tuition Assistance Program (response rate was 43 percent)	Mail survey	Extent of students' contact with high school counselor; satisfaction with services provided; effectiveness of high school counseling services
Ekstrom (1985)	1980, 1982	Nationwide	Approximately 30,000 1980 high school sophomores and 22,000 of these students in 1982	1980 High School and Beyond Survey and 1982 follow-up	Students' knowledge of college costs
Eureka (1988)[a]	1986	California	Random sample of 1,023 adult Californians and group interviews with about 100 high school and college students and their parents	Telephone survey of households with telephones and interviews with selected groups	Students' and parents' general knowledge of financial aid and perceptions of postsecondary costs
Council for the Advancement and Support of Education (1988)	1988	Nationwide	1,001 young people (aged 13-21)	Telephone survey of households with telephones	Students' college plans; attitudes concerning college cost and financial aid
Higgins (1984)[a]	1980, 1982	Nationwide	28,728 1980 high school seniors	1980 High School and Beyond Survey and 1982 follow-up	Students' knowledge of specific financial aid programs
Little and Chronister (1983)	1980	Virginia	321 adult community college students and 295 parents of college-bound junior and senior high school students	In-class and take-home surveys	Parents' knowledge of specific aid programs
National Association of College Admissions Counselors (1986)	1984	Nationwide	2,200 guidance counselors, randomly selected from 25,000 secondary schools	Mail survey	Counseling practices, resources, and programs
Olson and Rosenfeld (1984)	1980	Nationwide	6,564 parents of sophomore and senior high school students (response rate was 91 percent)	1980 High School and Beyond Survey	Parents' knowledge of specific financial aid programs and sources of financial aid knowledge
Pennsylvania Association of Colleges and Universities (1983)	1983	Pennsylvania	Representative sample of 7,847 twelfth graders in 49 schools	In-school survey	Students' assessments of financial aid information received from their high schools

[a]Both the Eureka and the Higgins studies investigated knowledge of federal financial aid at both the "search" and "choice" stages.

We augmented this literature with our own secondary analyses of the data base drawn from the High School and Beyond Survey. We examined the financial-aid knowledge of high school sophomores in 1980 and the relationship between students' characteristics—such as

race, grade average, parents' income and education, and family size—and different levels of that knowledge.

Students' and Parents' Knowledge

Based on nine studies and our own analyses, it appeared students in grades 10 through 12 knew little about federal financial aid. Our analyses showed that in 1980 only 12 percent of all high school sophomores thought the Pell Grant program was available in their schools and only 8 percent believed Stafford Loans were available.[2] (Pell Grants were then—as they are now—available to all who qualified; Stafford Loans were at that time available from banks without income restrictions.)

Seniors did know more than sophomores about federal financial aid. (Ekstrom, 1985) Among college-bound seniors answering the 1980 High School and Beyond Survey, only 18 percent reported that they did not believe Pell Grants were generally available in their schools, and 26 percent thought the same for Stafford Loans. (Higgins, 1984) However, results from a California study, which we discuss further later in this report, suggested seniors' knowledge may be superficial. Most of the seniors interviewed had only a rudimentary notion about the available financial aid programs and were unaware of what programs they might be eligible for. (Eureka, 1988)

Although students' knowledge may have grown from the first stage to this one, many students still had misconceptions or misinformation about aid that may be as critical to higher education decisions as lack of information. First, students substantially overestimated the cost of tuition, especially at public 2- and 4-year colleges. (Council for Advancement and Support of Education, 1988; Ekstrom, 1985) A third study found the opposite error to be common, as students underestimated the total cost of college attendance. (Pennsylvania Association of Colleges and Universities, 1983)

[2]The key question concerning awareness of financial aid asked of sophomores from the High School and Beyond Survey was: "For students in this school, are the following programs available to help pay for further study beyond high school?" The survey form listed 20 public and private sources of aid, and students were asked to respond about the availability of each (yes, no, or don't know). We examined only responses concerning the two major federal programs, Pell Grants and Stafford Loans.

Although the answers have been used repeatedly in studies, the original question is a somewhat ambiguous indicator of student knowledge. Asking whether an aid program is "available" and for a broad group of "students in this school" fails to distinguish between availability and eligibility and also does not probe students' understanding of their own situation; rather, it asks for a general characterization. Students largely neglected to answer; 30 percent didn't answer at all, and of those that did, roughly half responded "I don't know" to questions about specific aid programs. That these partial answers to a flawed question, which are now a decade old, are the best data available on a national sample suggests the current state of knowledge in this area.

Beyond incorrectly estimating costs, students also had misconceptions about eligibility for financial aid. Forty-nine percent in the Council's national poll of high school students (cited previously) thought they were ineligible for aid to attend an expensive private school if their parents could afford a state school. About a third believed financial aid is set aside solely for minority students, and almost a quarter believed that students with average grades do not qualify for financial aid. All of these are incorrect beliefs.

Parents continued to lack specific information about financial aid during this stage. Fewer than half knew about either Pell Grants or Stafford Loans in 1980, with these programs registering 48 and 45 percent recognition, respectively. (Olson and Rosenfeld, 1984) Another 1980 study in Virginia alone found an even lower degree of awareness, with only 35 percent of parents aware of Stafford Loans and 29 percent aware of Pell Grants. (Little and Chronister, 1983)

Like the students, substantial numbers of parents had basic misconceptions about eligibility for aid. About a third of parents in one study believed incorrectly that their income was too high to qualify for a loan or scholarship, and about a quarter of these parents believed incorrectly that their children's grades or tests were not high enough to qualify for a loan or for assistance. (Olson and Rosenfeld, 1984)

Subgroup Differences

We found that sophomore awareness of the two major federal programs varied according to family income, race, grades, academic track, and type of school attended.[3] Specifically:

- Though students' knowledge was generally limited, sophomores from the poorest families were more likely to know about the Pell Grant program than were those from higher income levels (18 percent versus 10 percent).
- Sophomores from low- and middle-income families were more likely to know about loans than were those from very high-income families (those with incomes of $50,000 and up).[4]

[3]These results are based on our secondary analysis of information from the 1980 High School and Beyond Survey sophomore cohort.

[4]Students from families with incomes between $25,000 and $50,000 were most likely to recognize loan programs.

- Sophomores with high grades in high school were more likely than those with lower grades to have knowledge of both programs.[5]
- Sophomores in academic programs were more likely to recognize Pell Grants than were those in general or vocational programs; sophomores in academic and vocational programs were more likely to recognize Stafford Loans than were those in general programs.[6]
- Sophomores at Catholic schools were more likely to recognize both financial aid programs than were those attending public or other private schools. Sophomores attending other private schools were the least likely to have knowledge of aid programs.[7]
- Black sophomores were consistently more aware of Pell Grants than were sophomores of other racial and ethnic groups. Differences among groups in loan program recognition were smaller than those in grants recognition.[8] We did not find relationships between sophomores' awareness and ability level, sex, parental education, or family size.

While seniors' recognition of these programs in 1980 was substantially greater than that of sophomores surveyed that year, the relationship between awareness and family income that we found was the same for sophomores and seniors. As was the case with sophomores, seniors from higher-income families were more likely to recognize Stafford Loans and those from low-income families to recognize Pell Grants.

Family income and parental education were identified in one study as the most important variables associated with differences in awareness of aid found among parents. (Olson and Rosenfeld, 1984) Parents with incomes under $30,000 knew more about Pell Grants than did those with incomes over this level; parents with incomes over $30,000 reported

[5]Students reporting grades of A registered a 15.4 percent and 11.82 percent awareness, respectively, of Pell Grants and Stafford Loans. These percentages dropped incrementally with grade level through self-reported grades of C and D. Of students reporting grade levels of C and D, 10.75 percent were aware of Pell Grants, and 6.65 percent were aware of Stafford Loans.

[6]Sixteen percent of sophomores in academic programs recognized Pell Grants; 12 percent of sophomores in general programs and 8 percent of sophomores in vocational programs recognized these grants. Twelve percent of sophomores in both academic and vocational programs recognized Stafford Loans, in contrast to 8 percent of sophomores in general programs.

[7]Responses from students in Catholic schools indicated that 13 percent were aware of grants and 9 percent were aware of loans. Responses from students in other private schools indicated that only 7.5 percent were aware of grants and 4 percent were aware of loans. (The awareness level of sophomores in public schools was only slightly lower than that of sophomores in Catholic schools.)

[8]Sixteen percent of black students were aware of Pell Grants as compared to 11 percent of Hispanic and white students and 10 percent of Asian and American Indian students. Eleven percent of Asian students recognized loans as compared to 8 percent of Hispanic, American Indian, and white students and 10 percent of black students.

more knowledge of loans than did parents with incomes under that level. (Olson and Rosenfeld, 1984) Results from this study also indicated the importance of already having a child in college. Parents who had a child in college knew more about aid regardless of their income or education.

Sources of Information

The Pennsylvania study cited in section 2 found that schools may disseminate more information about financial aid to seniors than to freshmen. (Pennsylvania Association of Colleges and Universities, 1983) In that study, 75 percent of college-bound seniors and 67 percent of noncollege-bound students reported receiving information about financial aid from their high schools. (As noted earlier, only 41 percent of freshmen reported receiving information from their schools.) An opinion survey of a national sample of college counselors in high schools found that counselors in schools with higher-income students reported engaging in much more intensive information and counseling efforts concerning higher education than did those in schools serving lower-income students. (National Association of College Admissions Counselors, 1986) The amount of information students received from high school counselors varied by race. Black students were more likely to obtain information from high school counselors than were white students, while Hispanic students were least likely to receive information. (Chapman, 1987)

Olson and Rosenfeld (1984) found a relationship between parental income and sources of knowledge of student aid. Parents were more likely to talk to someone or read about financial aid as their income increased: 59 percent of parents with incomes over $40,000 reported talking and reading about aid as compared to 42 percent of those with incomes under $10,000. Parents with incomes in the higher category were more likely to be those with higher educations—who in turn were more likely to have information-seeking skills, to read publications about postsecondary schools and financial aid, to have had personal experience with financial aid options, and to have children interested in pursuing postsecondary education.

Rather than the high school, college representatives and college publications were the most common sources of financial aid information for parents and students at the "search" stage. (Chapman, 1987; Little and Chronister, 1983)

Importance of Various Information Sources

Students viewed information about financial aid received from colleges, followed by information received from families and friends, as more important than information received from high schools. Chapman investigated the importance of information received by New York state students, reporting their rank-ordering of various sources. (Chapman, 1987) Students rated higher-education contacts (college visits, meeting with college financial aid counselors or admission officers, college catalogues, and communications from the state education agency) as the five most important sources of information about higher education. Informal sources, such as friends and parents, were ranked next in importance. High school counselors were ranked next to lowest, and information from the media (newspapers, magazines, television, and radio) was ranked lowest in importance.

Choice: Knowledge of Federal Financial Aid When Postsecondary Institution Is Determined

Students' Tasks at This Stage

"Choice" is the last stage in Hossler and Gallagher's model of students' educational decisions. At this point, which usually takes place during the senior year, students who have decided to continue their education beyond high school choose a particular school. The student and his or her family must obtain information on specific costs—such as tuition, living expenses, travel (if any)—and opportunities for grants, loans, and work, in order to arrive at a plan for paying the costs of the chosen institution. It seems likely that sound knowledge of the alternative ways of financing an education at specific schools may contribute to choice at this point.

Available Evidence

Although there is a great deal of research on who applies for and attends postsecondary schools, there is little information concerning the role played by knowledge of student financial assistance in this decision. However, some studies did look at students who decided to apply for aid in order to pursue higher education to see whether they had more or different knowledge of financial aid than other students.

Six studies addressed the issue of knowledge of financial aid and the characteristics associated with different levels of this knowledge during the choice stage. Key features of these studies are presented in table 4.1.

Table 4.1: Choice: Key Features of Studies Investigating Knowledge of Federal Financial Aid at the Time Students Apply to Postsecondary School

Study	Study period	Location	Sample	Data source	Outcome measures
Carroll (1983)	1980	Nationwide	6,564 parents of sophomore and senior high school students	1980 High School and Beyond Survey and 1982 follow-up	Parents' knowledge of specific financial aid programs and rates of application for financial aid
Cibik (1982)	1980	Arizona	708 college-bound seniors in 28 schools	In-school survey	Students' assessments of importance of information about college
Dahl (1982)	1980–82	Kentucky	2,600 students representing Kentucky's 1980 graduating high school seniors	In-school survey; Kentucky Longitudinal Study	Postsecondary education plans and later enrollment; importance of different factors in selection of educational institution
Eureka (1988)[a]	1986	California	Random sample of 1,023 adult Californians and group interviews with about 100 high school and college students and their parents	Telephone survey of households with telephones and interviews with selected groups	Students' and parents' general knowledge of financial aid and perceptions of postsecondary costs
Higgins (1984)[a]	1980, 1982	Nationwide	28,728 1980 high school seniors	1980 High School and Beyond Survey and 1982 follow-up	Students' knowledge of specific federal financial aid programs and later application rates
Orfield (1984)	1980, 1982	Illinois	670 Illinois students in the 1980 High School and Beyond Survey and 335 in the 1982 follow-up	1980 High School and Beyond Survey and 1982 follow-up	Students' knowledge of specific federal financial aid programs

[a]Both the Eureka and the Higgins studies investigated knowledge of federal financial aid at both the "search" and "choice" stages.

Three studies used data from the High School and Beyond Survey. Higgins (1984) used data from the 1980 senior cohort and from the 1982 follow-up to examine the relationship between knowledge of financial aid and financial aid application rates. Orfield (1984) examined data on Illinois students in the 1980 senior cohort and the 1982 follow-up to determine what students who went on to higher education knew as seniors about specific aid programs. Carroll (1983) compared parents' knowledge and their children's actions, using data from the senior cohort of the 1980 High School and Beyond Survey and the follow-up survey of parents.

Three additional state studies addressed knowledge of financial aid and the usefulness of this knowledge during the choice stage. Eureka (1988) studied the general awareness of financial aid and the postsecondary education costs for a small number of selected high school students and

parents in California. Dahl (1982) investigated the importance of different factors in the selection of postsecondary institutions. Cibik (1982) studied college applicants in Arizona to determine what information about college they considered important.

We also analyzed data from the High School and Beyond Survey to examine the possible importance of early awareness of federal financial aid to postsecondary enrollment. We compared sophomores' awareness of the major federal financial aid programs in 1980 with their postsecondary enrollment rate after graduation in 1982.

Students' and Parents' Knowledge

Seniors who apply to postsecondary institutions are not much more knowledgeable about federal financial aid programs than seniors in general. Using data on Illinois students only in the 1980 senior cohort of the High School and Beyond Survey, Orfield (1984) found that 85 percent of seniors who applied to postsecondary institutions reported knowing about Pell Grants and 74 percent about Stafford Loans. These figures are only slightly higher than the general recognition rates reported in the previous section.

Beyond basic awareness, however, students and parents have continued to lack specific information about aid programs. Most students in the studies we reviewed made their final college selections without information on the specific aid packages they might receive. (Eureka, 1988; Dahl, 1982) Although parents reported deep concerns about college costs, most remained uninformed about their children's eligibility for aid. (Eureka, 1988)

Dahl (1982) reported that cost and availability of financial aid were substantially more important factors in the choice of institution for students who planned to enroll in postsecondary school, but did not, than for those who enrolled. While it is always tempting to attribute changes of plans to forces beyond one's control, it is also the case that a lack of adequate cost information through the application process could account for some students' change in postsecondary education plans.

Evidence from Carroll's study highlights the confusion and uncertainty about financial aid and postsecondary enrollment that persist throughout this stage. Carroll compared responses of seniors who reported in spring 1980 that they planned to pursue education after high school, with responses of their parents to questions about postsecondary school financing collected in fall of 1980 (after these students

were expected to graduate from high school). He found that many parents continued to report little knowledge of each of the major financial aid programs. He also found that 28 percent of seniors who had indicated in the spring of 1980 that they did not plan to continue beyond high school had in fact applied for aid by the fall of that year, which suggests that decisions made during the choice stage are liable to change.

Subgroup Differences

Differences in awareness of financial aid among black, white, and Hispanic students were evident at this stage. Orfield's Illinois data suggest black students going on to higher education were more likely to indicate that they had heard of financial aid programs than were white applicants; Hispanic students appeared to be the least informed about the types of aid available. (Orfield, 1984) According to Orfield, 96 percent of black seniors who applied to postsecondary school were aware of Pell Grants, and 76 percent knew of Stafford Loans; for Hispanics, the comparable figures were lower, 74 and 66 percent, respectively.

Information Sources and Their Importance

The studies we identified usually did not distinguish among information sources used by high school students during the search and the choice stages. However, a study of high school students in Arizona who had applied to college found that college representatives, friends, and relatives were the most important sources of information for college-bound seniors. (Cibik, 1982)

Consequences of Awareness of Financial Aid

Our own analyses of the High School and Beyond Survey data indicated that sophomores who were aware of Pell Grants and Stafford Loans in 1980 were more likely to enroll in postsecondary schools in 1982. The relationship varied according to students' characteristics. Few sophomores were aware of financial aid programs at all (as discussed in section 3), so this observation pertained only to a small percentage of sophomores who subsequently enrolled in a postsecondary institution.

Low-income students (those with family incomes below $25,000) who as sophomores thought Pell Grants were available were more likely to enroll in postsecondary school 2 years later than were low-income students in general. We saw, however, no relationship between knowing about Pell Grants and postsecondary enrollment for students from families with incomes above $25,000 (families who would probably be ineligible for such assistance, in any case). However, knowledge of loan

programs was related to enrollment for students from middle-income families. Among students from families with incomes between $20,000 and $49,000, those knowing about loans as sophomores were more likely to enroll in postsecondary schools than were those who were not aware of loans.

Similarly, for most minority students and those with parents of less education (high school diploma or less), early knowledge of federal grants or loans was related to higher rates of subsequent enrollment.[1]

Looking at seniors alone, Higgins (1984) found college-bound seniors attended college at approximately the same rates regardless of their knowledge of federal aid programs: 73 percent of 1980 seniors who did not know about the Pell Grant program and 77 percent who did attended college in 1982. A similar pattern was exhibited by those college-bound seniors aware of Stafford Loans. However, college-bound students from low-income families with knowledge of Pell Grants had an 8 percent higher college-attendance rate than those without knowledge.

Students with parents who were knowledgeable about student aid were more likely to apply for aid than were students whose parents were less knowledgeable. (Carroll, 1983) Sixty-nine percent of parents with knowledge of as many as four of these programs had children who applied for aid; among parents who knew about only one of the major federal student aid programs, only 43 percent had children who applied for aid.

[1]This relationship was weaker for Hispanic students than for members of other ethnic groups. Our analyses indicated a gain of about 10 percent above average postsecondary enrollment rates for black, Asian, American Indian, and white students who had knowledge of Pell Grants as sophomores. The gain for Hispanic students was 4 percent.

Conclusions

Investing in postsecondary education is important for individuals and the nation, yet most students and parents in the studies we reviewed reported a lack of basic information that would have helped them make informed decisions in this critical area. And, this lack of information appears to persist from the predisposition stage through the search and choice stages, as is evident in the following answers to the four questions that we posed in this report.

1. What is known about students' and parents' knowledge of federal financial aid at different points in time as students progress through junior high and high school?

Across all of the three stages of decision in our model, students and parents indicated limited knowledge concerning the cost of attending different kinds of schools and the availability of federal student aid. Although their level of information increased during the high school years, many students and parents remained uninformed of eligibility requirements for financial aid programs. The studies made clear that few families had detailed knowledge of particular programs at the time when students applied—or decided not to apply—to specific schools. In addition, specific inaccurate views about schools' costs and about eligibility for financial aid and its relation to college costs persisted throughout the junior and senior high school years.

It seems likely that lack of knowledge and misconceptions limit students' and parents' understanding of postsecondary options; at worst, such ignorance may lead to specific decisions about high school courses that close the doors on some future job and school possibilities. Students and their families may not aspire to education beyond high school, may limit their gathering of information about higher-cost private colleges or 4-year colleges, or may not apply to some appropriate schools because they believe costs would be an insurmountable obstacle. Other families may fail to start necessary savings programs because they underestimate the price of costly schools, or they may not explore more realistic lower-cost alternatives in time.

2. Has considerable variation been found in the extent of this knowledge among different populations?

In general, it did not appear that minority students and their families or members of low-income families had less information than others. This may be because schools direct potentially useful information toward low-income and black students. Low-income and black students even

appeared to be slightly more familiar with grant programs than were middle-income and white students. Hispanic students were least likely to know about aid; these students may represent special cultural or linguistic needs that are not being met. However, the small differences among groups were not meaningful in the context of the large proportion of students who generally lacked adequate knowledge of financial aid.

3. What sources have contributed to this knowledge?

Concerning sources used, parents as well as students relied primarily upon postsecondary schools and secondarily upon family members and friends as sources of information about financial aid. These sources do not uniformly provide complete, unbiased, or even correct information, judging by the extent of ignorance and misinformation revealed in the studies. Minority students relied more upon financial aid information provided by high school guidance counselors than did more affluent, nonminority students, but the heavy workload of typical school counselors suggests limits to what students can learn from these sources, though arguably their information needs are paramount.[1]

Parents of junior high students may be better targets for school-based financial aid information activities than their children, who may not be motivated to learn about financial aid given their young age. Indeed, the studies showed that parents, including those without postsecondary expectations for their children, wanted to know about financial aid opportunities. Providing general information at this stage might encourage aspirations for postsecondary school attendance and influence course choices so that students do not prematurely eliminate possible future options.

Financial aid information at this early stage should no doubt be aimed at increasing aspirations for postsecondary education and creating awareness of various federal, state, and private programs that are available to help finance the costs of postsecondary school attendance.

[1]We recently reviewed programs offering tuition and other supportive services to poor and minority young people to increase their rates of attendance in higher education. A number of such programs offer extensive financial aid counseling, including supplementing school staff with additional technical experts who work in the schools. See Promising Practice: Private Programs Guaranteeing Student Aid for Higher Education, GAO/PEMD-90-16 (Washington, D.C.: June 1990). Other federal initiatives in the dissemination of financial aid information are described in appendix II.

4. What consequences can be attributed to different degrees of knowledge of federal financial aid?

Information is only one of many influences on postsecondary school choice. Academic ability, high school grades, family income, and desire to continue education are more highly related to postsecondary attendance than is knowledge of financial aid. However, the 1980-82 observations on the students included in the High School and Beyond Survey do show that sophomores with greater knowledge of federal aid were more likely to enroll in further education following graduation, though it is not certain that the former caused the latter. Preexisting motivation, such as that instilled by the family or school, may explain both. Many types of efforts can contribute to increasing youths' awareness of higher education and their ability to pursue it—for example, improving students' basic preparation, expanding their job aspirations, and demonstrating to them through the use of mentors or internships the crucial role played by education in modern life. But, it remains the case that getting better and more timely information to students and parents about the costs of postsecondary education and the availability of financial aid options is important. It is plausible that, among other efforts, providing early and realistic information on schools' costs and the wide range of ways to meet them may cause more students both to aspire to and successfully pursue postsecondary education.

Appendix I

Literature Search and Evaluation

We used the findings of existing studies that met our standards of relevance and quality as one major source for answering the questions in this report. Our other sources were interviews and secondary analysis of information from the High School and Beyond Survey data base. This appendix describes how we chose the studies cited in the text.

Identifying Studies

We aimed only to understand students' and parents' knowledge of federal financial aid, not the entire higher education decision process or all forms of aid. We also restricted our literature search to studies done since 1980. We searched two computerized bibliographic data bases, Dissertation Abstracts and the Educational Resources Information Center (ERIC) literature file. We contacted groups involved in student aid and counseling to ask for references to published work or bodies of data. These included American Council on Education, National Association of Student Financial Aid Administrators, The College Board, American College Testing Program, I Have A Dream Foundation, National Association of College Admissions Counselors, National Association of Student Counseling and Guidance Personnel, and the Higher Education Information Center in Boston, Massachusetts. We contacted state education agencies we knew had sponsored relevant studies, including those in Illinois, Pennsylvania, Rhode Island, and Virginia.

From all sources, we identified 120 articles, books, reports, and data bases, including both published and unpublished materials. After initial review, 74 appeared potentially relevant and were retained for further evaluation.[1]

A full bibliography is available upon request. Contact the Program Evaluation and Methodology Division, GAO, 441 G St., N.W., Room 5739, Washington, D.C. 20548.

Assessing Study Quality

We asked three experts on higher education and student aid to evaluate the studies on four criteria of quality: topical appropriateness, adequacy of design, statistical soundness, and generalizability of sample.[2]

[1]We were assisted by Dr. John B. Lee of JBL Associates of Bethesda, Maryland, in identifying the literature and contacting sources of data, and also in reanalyzing the High School and Beyond Survey.

[2]The three were Dr. David Chapman, State University of New York at Albany; Dr. Jerry Davis, Pennsylvania Higher Education Assistance Agency; and Dr. Don Hossler, Indiana University. We asked them to evaluate our full list of potentially relevant studies, including studies they themselves had directed.

The experts found few studies they judged to be both highly appropriate and rigorous in their designs and statistical methods. After examining the ratings of the experts, we concluded that 18 of the studies were suitable for our purposes, rejecting those that failed to meet one or more of the first three criteria. We did not eliminate studies with findings of limited generalizability. Our bibliography lists the 18 studies we retained, and the stages they cover are summarized in table 1.1.

Federal Initiatives in Dissemination of Financial Aid Information

Federal legislation and federal agency actions have repeatedly addressed the issue of information about student aid. This appendix summarizes the major initiatives in this area. It also describes several programs that include the dissemination of such information among their services.

Legislation and Related Congressional Direction

The 1976 Amendments to the Higher Education Act of 1965 (section 493(a)) required institutions receiving administrative allowances for handling federal student aid programs under title IV of the act to provide students with certain basic information, including financial assistance information, student retention statistics, and when available, student completion rates. The amendments also provided for grants to states for the establishment of Education Information Centers that operate outside of high schools to provide postsecondary counseling, information on financial aid, referrals, and other services to prospective postsecondary-school students. In the 1980 Amendments to the Higher Education Act, the Education Information Center provisions were moved administratively from title IV to I, and they have not been funded since then. States, for the most part, have been reluctant or unable to support these centers without federal assistance.

The 1980 amendments to the act mandated that financial aid information be disseminated to all prospective and enrolled students. Section 438 outlined the requirements for "Institutional and Financial Assistance Information for Students." A prospective student was defined as any individual who contacted an eligible institution requesting information concerning admission to that institution.

In the 1986 Amendments to the Higher Education Act of 1965, the House bill (but not the Senate's) provided for the establishment of a National Center for Postsecondary Opportunity to help ensure that adequate information and counseling regarding federal financial aid programs were available to students, parents, and others. The House provision would have required the Department of Education to allocate $5 million for the Center annually from the department's appropriation for salaries and expenses. However, the House receded. The decision of the conferees not to include the National Center for Postsecondary Opportunity in the conference agreement did not imply their satisfaction with the Department of Education's efforts to provide adequate information. The conferees believed that the Department's efforts were inadequate, and they directed the Secretary of Education to improve the

provision of timely and adequate information about federal student aid programs to individuals, including

- the economically or educationally disadvantaged,
- the disabled,
- those living in rural isolation,
- nontraditional adult students,
- unemployed workers, and
- women.

The conferees encouraged the Secretary to explore innovative ways to disseminate information about federal student aid programs, including the use of videotapes and seminars. The conference report also urged the Secretary to involve relevant professionals who provide services to students and potential students, such as school counselors, college admissions personnel, TRIO program personnel, student financial aid administrators, and school administrators.

Routine Information Provision

The Department of Education provides information on federal student aid and application procedures. In past years, an extensive booklet was published each year, but it has been discontinued because of funding shortages. A less extensive publication has been issued for 1990.

TRIO Programs

Federal legislation began in 1965 to establish programs to address needs of disadvantaged students in order to increase postsecondary enrollment rates for underrepresented populations. A total of seven programs are authorized, though these continue to be referred to as "trio" (since originally there were three programs). The TRIO programs are designed primarily to assist low-income or disadvantaged high school students and adults to overcome some of the barriers to both access and completion of postsecondary education.[1] Services include a range of information and more intensive supports for those not yet enrolled in higher education and, for those who are enrolled, still other supportive assistance. Financial aid information is provided in several of these programs.

[1] Four of these programs—Upward Bound, Talent Search, Student Support Services, and Educational Opportunity Centers—restrict eligibility to U.S. citizens, permanent residents of the United States, or individuals that are in the United States for other than temporary reasons. Permanent residents of the Trust Territories of the Pacific are also eligible.

Upward Bound

Upward Bound was implemented by the Office of Economic Opportunity in school year 1965-66 as part of the National War on Poverty. A 1968 amendment to the Higher Education Act transfered the program to the Office of Education (now the Department of Education). The goal of this program is to prepare eligible disadvantaged students between the ages of 13 and 19 who are enrolled in high school, or qualified veterans, for college. Projects are sponsored by institutions of higher learning, public and private agencies, and in exceptional cases, secondary schools. Services typically include remedial instruction, career awareness activities, postsecondary and financial aid counseling, and cultural activities. Services are provided part-time during the school year and full-time during the summer.

Talent Search

Talent Search, which was authorized under the Higher Education Act of 1965, identifies young people between the ages of 12 and 27 who have completed the sixth grade and are potential first-generation college students. Talent Search projects may be sponsored by postsecondary schools, public and private agencies, and in some cases, secondary schools. Services include academic and financial aid counseling—including assistance in completing admissions and financial aid forms—career explorations, and assisting individuals' reentry into secondary or postsecondary schools.

Student Support Services

Authorized in 1968, this program provides on-campus compensatory education and counseling to help students who are disadvantaged, first generation, or physically handicapped successfully complete the program of postsecondary instruction in which they are enrolled. Programs may only be sponsored by institutions of higher learning. Participants must be enrolled in or accepted by a postsecondary institution and be in need of remedial academic instruction.

Educational Opportunity Centers

Authorized in 1972, these are on- and off-campus educational resource centers in areas with high concentrations of disadvantaged families that provide information and assistance to adults aged 19 or older who need services in order to pursue or continue postsecondary education. Participants must live in a target area served by an Educational Opportunity Center. Programs may be sponsored by postsecondary schools, public and private agencies, and secondary schools. Services include counseling, disseminating information about financial aid, assessment, career exploration, and coordination with local postsecondary schools.

Training Program for Special Programs Staff and Leadership Personnel

The objective of this program is to improve the competency of the staff of TRIO projects in delivering services to disadvantaged students. Programs are sponsored by postsecondary schools and public and private agencies and provide for conferences, workshops, and seminars.

The School, College, and University Partnership Program (SCUP)

This program is designed to encourage partnerships between institutions of higher learning and secondary schools serving low-income students. SCUP provides services to improve the academic skills and postsecondary school attendance or employment prospects after high school of low-income secondary school students.

The Ronald E. McNair Postbaccalaureate Achievement Program

The McNair Program, first funded in 1989, is designed to provide effective preparation for doctoral study to undergraduate and graduate students from low-income families, first-generation college students, and members of groups that are underrepresented in graduate education. Services include opportunities for research, counseling, tutorial services, and assistance in securing admission to, and financial aid for, graduate programs.

Supporters of these seven programs argue that they serve a useful purpose and contend that lack of adequate funding prevents the TRIO programs from accomplishing their purpose. Only about one in twenty of eligible individuals currently are served by these programs.

Other Programs

Two other programs to assist disadvantaged students in gaining access to further education were originally administered by the Office of Economic Opportunity. These are the Higher Education Equivalency Program (HEP) and the College Assistance Migrant Program (CAMP). Both programs were transferred to the Department of Labor in 1973. Since 1980, they have been administered by the Department of Education. Both programs address the educational needs of both migrant workers' children and young adults. HEP offers residential high school equivalency training and provides encouragement to minority students to continue their education. CAMP is campus-based and offers remedial, tutorial, counseling, and financial support in the first year of college.

Public and Private Initiatives

Many early awareness projects—sponsored by state governments, school districts, postsecondary schools, educational associations, and citizens' groups—are under way. Currently, the National Association of

Student Financial Aid Administrators (NASFAA) is coordinating information on these projects and has compiled a compendium of early awareness programs throughout the United States.[2] In addition, NASFAA has established four early awareness pilot programs and plans to assess these programs in the future.

[2]Information on the NASFAA Early Awareness Project may be obtained from NASFAA, 1920 L Street, N.W., Washington, D.C. 20036.

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